GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA

UNSTARRED QUESTION NO:193
ANSWERED ON:16.11.2016
Spectrum Auction
Ashok Kumar Shri K.;Dhruvanarayana Shri Rangaswamy;Jayadevan Shri C. N.;Kalvakuntla Smt. Kavitha;Mullappally Shri Ramachandran;Patil Shri Bheemrao Baswanthrao;Singh Shri Sushil Kumar

Will the Minister of COMMUNICATIONS be pleased to state:

(a) the details of revenue earned by the Government through auctions of spectrum conducted during the last six years, auction-wise including targets fixed and results achieved;

(b) the details of the recently conducted auction, along with number of participants, quantum of airwaves put on sale and upfront payments received by the Government;

(c) whether the auction ended well below the target and there were no takers for premium 700 MHz. and 900 MHz band of spectrum;

(d) if so, the details thereof and the reasons therefor; and

(e) the steps taken by the Government for better outcome in the next auction along with the time frame for the next auction and the spectrum likely to be put on auction with estimated revenue target?

Answer

THE MINISTER OF STATE (IC) OF THE MINISTRY OF COMMUNICATIONS &
MINISTER OF STATE IN THE MINISTRY OF RAILWAYS
(SHRI MANOJ SINHA)

(a) The details of revenue earned by the Government through auctions of spectrum during last six years are as follows;
<pre>
S.N. Auction Year Revenue Realization (Rs. in Cr.) Balance to be realized on 10 installments after giving 2 year moratorium @ prevailing bank interest rate
Total Minimum Upfront due Actual Received Annual Installment Interest rate Start Year of Installment End Year of Installment
1 2010 106262 - 106262 Nil - - -
2 2012 9408.00
3104.52 5557.00 744.00 9.75% 2015-16 2024-25
3 2013 3639.00 909.87 Nil * 390.00 9.75% 2015-16 2024-25
4 2014 61162.00 - 18267.00 8352.00 10% 2016-17 2025-26
5 2015 109875.00 32377.85 15133.00 10% 2018-19 2027-28
6 2016 65789.12 31988.69 32434.10 6291.41 9.3% 2019-20 2028-29
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*March 2013 Auction- Minimum upfront amount due Rs.909.87 Cr & Set-off given Rs.1626.32 Cr, Net upfront amount received NIL.

As regards auction-wise target fixed and result achieved, it is submitted that as such no specific targets were fixed from spectrum auction. Only Reserve Price (RP) of each band of spectrum in each Licensed Service Area (LSA) put to auction, had been fixed by the Govt. on the recommendation of TRAI.

However budgetary target projection by DoT can be taken as the revenue target from spectrum auction.

The year-wise figures of revenue projection by DoT for budget purpose and actual revenue realization against that target are as follows:
<pre>
Sl. No. Year DoT Target Projection (Rs. in cr.) Achievement (Actual Receipts) (Rs. in cr.)
1. 2011-12 13000 Nil
2. 2012-13 40000 1722.24
3. 2013-14 11343 18267.18
4. 2014-15 Nil 10791.08
5. 2015-16 16000 21587.00
6. 2016-17 34,586 32434.10
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(b) the details of the recently conducted auction, quantum of airwaves put on sale and upfront payments received by the Government are as under:
<pre>

Sl. No. Band
(MHz) Spectrum put to auction on sale (MHz) Spectrum sold
(MHz) Upfront payments received (Rs. in cr.)
1. 700 770.00 0.00 0.00
2. 800 73.75 15.00 905.87
3. 900 9.40 0.00 0.00
4. 1800 221.60 174.80 9,337.37
5. 2100 360.00 85.00 8,420.00
6. 2300 320.00 320.00 7,900.06
7. 2500 600.00 370.00 5,870.80
Total* 2354.75 964.80 32,434.10
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* The details enclosed as ANNEXURE

Total number of Participants were 7 i.e. 1. M/s Reliance JIO, 2. M/s Bharti Airtel, 3. M/s Idea Cellular, 4. M/s Vodafone, 5. M/s Tata Teleservices, 6. M/s Reliance Infocomm. & 7. M/s Aircel.

(c) & (d) No bid was received in any of the 22 LSAs and 4 LSAs in 700 MHz and 900 MHz bands respectively. Absence of ecosystem in 700 MHz band including the non-availability of devices together with industry perception of high reserve price appear to be the main reason for no bids in the 700 MHz band. Availability of small blocks of spectrum in 900 MHz band resulted in no bids in this band. In addition, companies appeared to be preserving cash to protect market share in the days to come.

(e) No such steps finalized yet.

ANNEXURE
<pre>
(Item no. (b) of Lok Sabha Question Diary No. 3 for 16-11-2016)

S.N. Band
(MHz) Total Spectrum Put to Auction Auction Result: Spectrum Sold Upfront payment (Rs. in Cr.)
No. of LSA Quantum
(MHz) Value at RP (Cr.) No. of LSA Quantum
(MHz) Value at RP (Cr.) Value at SP
(Cr.) Minimum Due Actual Received Excess Recd.
1 700 22 770.00 4,01,975.00 0 0.00 0.00 0.00 0.00 0.00 0.00
2 800 19 73.75 26,126.25 4 15.00 3165.00 3,623.49 905.87 905.87 0.00
3 900 4 9.40 5413.80 0 0.00 0.00 0.00 0.00 0.00 0.00
4 1800 21 221.60 24,647.20 19 174.80 17341.60 18,493.91 9,246.96 9,337.37 90.41
5 2100 22 360.00 63,345.00 12 85.00 16140.00 16,140.00 8,070.00 8,420.00 350.00
6 2300 16 320.00 15,200.00 16 320.00 15200.00 15,790.12 9,895.06 7,900.06 5.00
7 2500 22 600.00 30,680.00 20 370.00 11740.00 11,741.60 5,870.80 5,870.80 0.00
Total 126 2354.75 5,67,387.25 71 964.80 63,586.60 65,789.12 31,988.69 32,434.10 445.41
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